Compost Sales/Marketing Workshop

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Tiffin, Iowa

Sponsored by:

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COMPOST SALES/MARKETING WORKSHOP

AGENDA

Schedule	Subject	Manual Chapter
8:30 – 9:00	Registration	
9:00 - 9:30	1. Overview The Economics of Compost Marketing	
9:30 – 10:15	2. Compost – a *'different animal'* *(what it is…what it's not, product/marketing principles, applications, benefits)*	1
10:15 – 10:30	Q&A / BREAK	
10:30 – 11:30	3. Compost Marketing – Program Implementation Options *(product marketability, market/product positioning, investment, volume/value markets, bulk vs. bagged, distribution options, derivative products/blending)*	2
11:30 – 12:00	4. Compost Quality Issues *(importance of specific characteristics, feedstocks vs. characteristics, realistic ranges, modifying characteristics, common mistakes)*	
12:00 – 1:00	Q&A / LUNCH	
1:00 – 1:45	5. Market Planning *(importance, 6 aspects to consider)*	3
1:45 – 2:30	6. General Sales Principles and Requirements *(the compost supplier, the compost sales person, sales tools and services, prospecting, lead generation)*	4/5
2:30 - 2:45	Q&A / BREAK	
2:45 – 4:45	7. The *Sales Call* and Technical Sales Approaches *(sales call, market specific sales approaches, dealing with objections, marketing program example 'problem', marketing programs, role playing/participant's marketing issues)*	5/6
4:45 – 5:00	Review and Information Sources/Tools	

COURSE NOTES

1. The Economics of Compost Marketing

Economic Comparisons

Market Damage (own facility, others)

2. Compost – a *'different animal'*

What it is… What it's not

Comparing Compost to Other Products

General Comparison of Compost to Other Horticultural/ Agricultural Products[1]

	Compost	Canadian peat	Native peat	Mineral topsoil	Fresh manure	Ground pine bark
Macronutrients	medium - high	very low	very low	low	high	low
Micronutrients	medium - high	very low	very low	low - medium	medium - high	low
Soluble salts	low - medium	very low	very low	low	high - very high	low
PH	medium	low - very low	low - very low	medium	medium	low
Bulk density	medium	Low	low	high	high	low
Moisture holding capacity	medium	very high	high	low	low - medium	low
Organic matter content	medium - high	very high	high	low	medium - high	medium - high
Stability in soil	good - excellent	Excellent	excellent	n/a	low - medium	good - excellent
Microbial population	good - excellent	Poor	poor	poor - good	good	good - excellent

Note: These are general guidelines. Individual products may vary. N/A = Not applicable

[1]The Field Guide to Compost Use, US Composting Council, 1996

Actual Comparison of Compost to Other Horticultural/ Agricultural Products[2]

	Compost [1]	Organic [2]	Native peat [3]	Canadian peat [4]	Aged chicken manure
Organic matter (%)	46.00	12.00	74.00	97.00	43.00
PH	7.40	7.50	5.20	4.20	-
Soluble salts (mmhos/cm)	2.23	0.64	0.31	0.07	15.10
Bulk density	32.16	70.22	14.26	6.98	39.32
Moisture holding capacity	227.00	53.00	428.00	1307.00	166.00
Cation exchange capacity (meg/100g)	17.30	13.60	4.00	3.10	-

1 = biosoilds/yard trimmings, 2 = organic Florida muck soil, 3 = Florida reed sedge peat, 4 = Canadian sphagnum peat moss

[2]The Field Guide to Compost Use, US Composting Council, 1996

Product/Marketing Principles

Marketing – Basic Rules

Pricing

Unique Issues

Benefits of Compost Use[3]

- Improves the soil structure, porosity, and bulk density – creating a better plant root environment
- Increases moisture infiltration and permeability of heavy soils – improving drainage and reducing erosion and runoff
- Improves moisture holding capacity of light soils – reducing water loss and nutrient leaching
- Improves and stabilizes soil pH
- Improves cation exchange capacity (CEC) of soils – improving their ability to hold nutrients for plant use
- Supplies a variety of macro and micro nutrients
- Supplies significant quantities of organic matter
- Supplies beneficial micro-organisms to the soil – improving nutrient uptake and suppressing certain soil-borne diseases
- Can bind and degrade specific pollutants

[3]The Field Guide to Compost Use, US Composting Council, 1996

Compost Applications[4]

- Soil Incorporant
  - Turf Establishment
  - Garden Bed Preparation
  - Reclamation / Remediation
  - Nursery Production
  - Roadside Vegetation
  - Agricultural Production
- Growing Media Component
  - Container/Potting
  - Landscape (e.g., rooftop, raised planters)
  - Backfill Mixes (tree and shrub planting)
  - Golf Course (e.g., tee, green, divot mixes)
  - Manufactured Topsoil
- Surface Applied
  - Garden Bed Mulch
  - Erosion Control Media
  - Turf Topdressing

[4]The Practical Guide to Compost Marketing and Sales,
R.Alexander Associates, Inc., 2003

3. Compost Marketing – Program Implementation Options

Product Marketability

Factors

Market/Product Positioning

Market Development Investment

Feedstock vs. Characteristics

Volume vs. Value Markets

Volume vs. Value Markets[5]

Value Markets	Volume Markets
Landscapers	Agriculture (conventional)
Sports Turf	Reclamation
General Turf	Roadside Projects*
Wholesale Nurseries	Sod Farms
Resellers	
Topsoil Manufacturing*	
Agriculture* (organic)	
Erosion Control*	

*could be categorized in either market depending upon the specific customer and application

[5]The Practical Guide to Compost Marketing and Sales, R.Alexander Associates, Inc., 2003

Bulk vs. Bagged

Distribution Options

Derivative Products/Blending[6]

Screening	Blending
Turf Topdressing	Manufactured Topsoil
Landscape Mulch	Growing Media/Substrate
Erosion Control Substrate	Sports Turf (sand based mixes, topdressings, tee/green media, etc.)
	Landscape Planter Mixes
	Environmental Mixes (landfill closure, biofilters, erosion control, etc.)

[6]The Practical Guide to Compost Marketing and Sales, R.Alexander Associates, Inc., 2003

4. Compost Quality Issues

Product Consistency

Importance of Specific Characteristics

Compost Parameters and their Rationale for Inclusion[7]

Compost Parameters‡	Rationale for Inclusion:
pH	Necessary for system management -Effect on pH adjustment.
Soluble Salt Concentration	Necessary for system management - Potential toxicity, effect on watering regime, effect on fertilizer application rates.
Nutrient Content (N-P-K, Ca, Mg)	Necessary for system management - Effect on fertilizer requirements.
Moisture Content	Product handling and transportation issue.
Organic Matter Content	Necessary for system management - Relevant in determining application rates. Some use as a basis to measure cost effectiveness.
Particle Size	Necessary for system management - Effect on porosity. May determine usability in specific applications.
Trace Elements/Heavy Metals	Necessary for system management - Effect on fertilizer requirements, potential toxicity. Necessary to address and reduce public concern.
Pathogens	Necessary to address and reduce public concern.
Stability	Necessary for system management - Effect on nutrient availability (nitrogen), odor generation.
Growth Screening	Necessary for system management - Effect on seed germination/plant growth.

[7] Landscape Architect Specifications for Compost Utilization, US Composting Council, 2003

Feedstocks vs. Characteristics

Compost Feedstock and its Acceptance within Select Compost Markets[8]

	Land-scapers	General Turf	Sports Turf	Topsoil Manufacturing	Agriculture	Erosion & Sediment Control	Reclamation	Resellers	Wholesale Nurseries
Yard Trimming	√√√	√√√	√√	√√√	√√	√√√	√√√	√√√	√√√
Biosolids	√√√	√√√	√√√	√√√	√√√	√√	√√√	√√	√√√
Manure	√√√	√√√	√√√	√√√	√√√	√√	√√√	√√	√√√
MSW	√√	√√	√	√√	√√	√	√√√	√	√√
Food Waste	√√√	√√	N/a	√√√	√√√	N/a	√√√	N/a	N/a

N/a – little current experience with this type of compost in this particular application

[8]The Practical Guide to Compost Marketing and Sales, R.Alexander Associates, Inc., 2003

Realistic Ranges (Typical Characteristics)

Modifying Characteristics

Common Mistakes

Monitoring Product Quality

Certification Programs

5. **Market Planning**

Importance

Why Market Planning is Ignored

Aspects to Consider

Compost Production/Facility Management

Market Research

Product Research

Promotion

Education

Sales/Distribution

6. General Sales Principles and Requirements

The Compost Supplier

Important Attributes of a Compost Supplier[9]

- Produce compost possessing attributes/characteristics that meet end user or application requirements
- Supplies/Produces a consistent product
- Has implemented an on-going quality assurance or testing program
- Can supply current compost characterization data (quantifying and qualifying their product's attributes)
- Provides good overall customer service, employs a "service minded" staff
- Can assure prompt and reliable delivery (size of truck and mode of unloading are also important)
- Possesses adequate storage to ensure availability
- Can provide technical assistance regarding end use

[9]The Field Guide to Compost Use, US Composting Council, 1996

The Compost Salesperson

Problem Solver

Skills/Knowledge Base

The *Green Industry*

The Benefits of Compost Use

The Composting Process

Relevant Regulation

Product Application and End Use

Health/Safety/Environmental Issues

Product quality issues

Sales Tools and Services

Tools

Sales Literature

Before and After Pictures

Product Test Results

Product Samples

National Publications and Pertinent Trade Publication Articles

Letters of Recommendation

Case Studies

Product Research

Computer Models

Computer Programs and Databases

Services

Product Delivery

Application Equipment

Technical Assistance from Staff and Specialized Consultants

Training Presentations

Informational Library

Prospecting

Identify and Rate Potential Customers

Databases – Prospect List

Refine Prospect List – Rating Prospects

Lead Generation

Referrals

Promotional/Educational Activities

Focus – Geographical, Customer Type (size), Market Segment, etc.

7. The *Sales Call* and Technical Sales Approaches

The Sales Call[10]

'Sales Call' Steps: *[complete each step before moving on to the next one]*

1. Gain rapport – bond with potential customer, ask probing questions, try to give a sincere compliment.
2. Identify the potential customers problems/areas of concern and needs, identify ways your product can solve their problems
3. Determine if the person you are speaking to is the decision maker, and if they are in charge of the budget.
4. Complete the sales presentation – it must be done in a way that illustrates to the potential customer a means of solving their *problem(s)*, meeting their *needs*, or addressing their concerns. **Ask for the order.**
5. Determine if potential customer has any objections. If so, address them before leaving.

Remember, during your sales call, always try to illustrate how your product will save or make the prospect money, or make their job easier (e.g., save time, customer satisfaction, etc.).

Always try to obtain referrals. Once the order is obtained, leave (prospects can change their mind).

[10]The Practical Guide to Compost Marketing and Sales, R.Alexander Associates, Inc., 2003

Dealing with Objections

Market Specific Sales Approaches

Agriculture

Compost Uses:

1) Soil incorporant for field crops, vegetables and fruit crop fields
2) Plasticulture/raised planting bed component
3) Hothouse crop media component
4) Organic and/or certified organic fertilizer

Benefits of Compost Use (sales points):

1) Source of stabilized organic matter – doesn't degrade readily when added to soil, doesn't cause proliferation of disease organisms
2) Provides more organic matter than cover crops
3) Allows for faster plant growth and extensive rooting (improves soil structure and supplies mycorrhizae)
4) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization
5) Cation exchange capacity of compost helps soil retain nutrients
6) Disease suppression of various soil borne diseases
7) Can increase crop yield
8) Can increase fruit size (yield of larger fruit)

Erosion and Sediment Control

Compost Uses:

1) Soil blanket (for slopes)
2) Filter berms
3) Media for vegetation

Benefits of Compost Use (sales points):

1) Reduces erosion and sediment movement – more effective than current
2) Economically competitive with current erosion/sediment control techniques and products
3) Binds and degrades a variety of chemical contaminants

Landscapers

Compost Uses:

1) Flower/garden bed establishment
2) Planter mix component (e.g., raised flower beds, rooftop mixes)
3) Tree/shrub backfill mix component
4) Manufactured topsoil component
5) Decorative plant mulch
6) Turf establishment/renovation and maintenance (see turf sections)
7) Turf topdressing (see turf sections)
8) Organic fertilizer

Benefits of Compost Use (sales points):

1) Lack of good topsoil available
2) Less expensive than most peat, peat-humus and mulch products
3) Rich in plant nutrients (micro and macro) – will allow for either the elimination or a significant reduction in first year fertilization
4) Allows for faster plant growth and healthier plants
5) Promotes deep rooting/better establishment – plants can better cope with environmental and cultural stresses
6) One step turf and flower bed installation and renovations – can 'fix' poor soils nutritionally, physically and biologically & reduce/eliminate pre-plant fertilization
7) Less plant loss where compost is used in tree/shrub establishment projects

Landscape Architects

Compost Uses:

1) All landscape planting and mix uses (see landscaping section)
2) General turf establishment/renovation (see turf section)
3) Sports turf establishment/renovation (see turf section)

Benefits of Compost Use (sales points):

1) Lack of good topsoil available
2) Less expensive than most peat, and other commercial soil amendments
3) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization, can reduce/eliminate pre-plant fertilization
4) One step turf and flower bed installation and renovations – can 'fix' poor soils nutritionally, physically and biologically
5) Less plant loss where compost is used in tree/shrub establishment projects

6) Promotes deep rooting/better establishment – plants can better cope with environmental and cultural stresses
7) Superior short and long-term results (helps long-term sustainability of landscape)
8) Reduce chemical fertilizer and pesticide dependency

Reclamation

Compost Uses:

1) Manufactured topsoil component
2) Soil incorporant (upgrading marginal soils)
3) Bioremediate contaminated soils (e.g., heavy metals, petroleum based contaminants)
4) Remediate organically 'dead' soil
5) Flower bed establishment
6) Tree/shrub backfill mix component
7) Turf establishment/renovation

Benefits of Compost Use (sales points):

1) Replaces more expensive contaminated soil treatment methods, or soil removal and disposal
2) Can re-establish organic matter, carbon and nitrogen cycles in the soil
3) Microbial activity can degrade various petroleum based contaminants
4) Cation exchange capacity of compost helps soils retain nutrients and bind heavy metals
5) Specific elements in compost help to reduce bioavailability of certain heavy metals
6) Allows for faster plant establishment and growth, and extensive rooting (improves soil structure and supplies mycorrhizae)

Resellers

Compost Uses:

1) Resale for landscape applications (see landscape section)
2) Resale for general turf applications (see general turf section)
3) Resale for erosion control applications (see erosion control section)

Benefits to Selling Compost:

1) Excellent profit margin
2) Unique product
3) Environmental product
4) Helps them to diversify their product line
5) Quantity discounts
6) Versatility and potential 'in-house' usage of product (e.g., landscape, blending)
7) In bulk form, will only distribute through a limited number of locations (only a small percentage of resellers can handle bulk products)

Topsoil Manufacturers

Compost Uses:

1) Topsoil component for 'typical' landscape and general turf applications
2) Sports turf media component (e.g., high tech athletic fields, golf tee/green mixes)
3) Specialized landscape and planter mixes

Benefits of Compost Use (sales points):

1) Can be blended with subsoils, sand, etc. to manufacture a topsoil substitute
2) Can allow lower quality soils to be improved, then resold
3) Weed-free and stabilized organic matter source
4) Tougher to find high quality, large topsoil sources
5) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization
6) Can 'fix' poor soils nutritionally, physically and biologically & reduce/eliminate pre-plant fertilization
7) Disease suppression of various soil borne diseases

Benefits to Selling Compost and Manufactured Topsoils:

1) Excellent profit margin
2) Will only distribute through a limited number of locations (only a small percentage of resellers can handle bulk products)
3) Can manufacture own unique products, brand name them
4) Can increase the value and utility of substandard soils
5) Can provide topsoil dealers the ability to diversify their product line

Turf - General

Compost Uses:

1) Soil incorporant for turf establishment
2) Soil incorporant for turf renovation
3) Turf topdressing (or topdressing component)
4) Turf divot media (or divot component)
5) Seed germination media
6) Organic fertilizer (Nitrogen, Iron)

Benefits of Compost Use (sales points):

1) Lack of good topsoil available
2) Few inexpensive turf topdressings are available
3) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization, can act as fall fertilization on turf, often rich in nitrogen and iron (long-term 'greening' effect)
4) Supplies nitrogen over a three (3) year period
5) Allows for faster turf growth and extensive rooting (improves soil structure and supplies mycorrhizae)
6) Disease suppression of various turf diseases

Turf - Sports

Compost Uses:

1) Soil incorporant for turf establishment
2) Soil incorporant for turf renovation
3) Turf topdressing (or topdressing component)
4) Turf divot media (or divot component)
5) Golf green and tee construction mix component
6) Athletic field construction mix component
7) Topsoil manufacturing / soil upgrade
8) Seed germination media
9) Flower/garden bed establishment
10) Organic fertilizer

Benefits of Compost Use (sales points):

1) Weed-free
2) Lack of good topsoil available
3) Few consistent soil amendments available for turf applications
4) Few inexpensive turf topdressings are available (nutrient rich) – its dark color extends seeding season
5) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization, can act a fall fertilization on turf, often rich in nitrogen and iron (long-term 'greening' effect)
6) Allows for faster turf growth and extensive rooting (improves soil structure and supplies mycorrhizae)
7) Disease suppression of various turf diseases

Wholesale Nurseries

Compost Uses:

1) Component to greenhouse and container mixes
2) Soil incorporant for field nurseries
3) Soil incorporant for nursery beds
4) Nursery bed and/or field nursery mulch
5) Organic fertilizer

Benefits of Compost Use (sales points): *Greenhouse/Containers*

1) Weed-free
2) Less expensive than peat moss and many bark products (organic fraction of media)
3) Allows for faster plant growth and extensive rooting (improves media structure and supplies mycorrhizae)
4) May improve the quantity of plant inflorescence (flower buds)
5) Rich in plant nutrients (micro and macro) – will allow for a reduction in fertilization, can replace nitrogen needs for potted/containerized plants for several weeks, can reduce or replace micro nutrient additions to potted/containerized plant media
6) Suppression of various fungal diseases – in many cases have eliminated fungicidal drenches and fumigation)

Developing Sales/Marketing Programs

Marketing Program Components[11]

- Sales Focus
  - Customer Size
  - Geographic Area of Concentration
- Pricing Policies (base price, discounts)
- Scheduling of Sales/Marketing Efforts
  - Seasonal Concentration of Sales Efforts
  - Timing of Advertising/Promotional Activities
- Sales Tools
  - Pitch Pages
  - Sales Programs
  - Product Literature
- Lead Generation Methods
- Associated Services
- Procedures for contact management (ranking, follow up)
- Sales Goals

[11]The Practical Guide to Compost Marketing and Sales,
R.Alexander Associates, Inc., 2003

Marketing Program Example ‘Problem’

Role Playing/Participant’s Marketing Issues